

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

Docket no.: 2013-275-WS

In the matter of application of)	
)	
Carolina Water Service, Inc.)	FORTY LOVE POINT'S
)	RESPONSE TO CAROLINA
for Adjustment of Rates and Charges)	WATER SERVICE'S MOTION
and Modifications to Certain Terms)	TO STRIKE TESTIMONY OF
and Conditions for the Provision of)	LESLIE HENDRIX
Water and Sewer Service)	

Forty Love Point objects to Carolina Water Service's Motion to strike any testimony of Leslie Hendrix on the basis of relevancy. Ms. Hendrix has direct knowledge of the operations of Utilities, Inc, the parent company involved in this dispute, as both a customer and as an informal consumer advocate. Ms. Hendrix has testified in water rate cases since 2006 (at least) and has filed complaints with the Office of Regulatory Staff, requested audits, and complained to Utilities, Inc directly. She has first-hand knowledge of rate case proceedings, including those involving Carolina Water Service, and often testifies as a public witness.

**THE FIVE UTILITIES, INC COMPANIES OPERATING IN
SOUTH CAROLINA ARE SIMILAR.**

Utilities, Inc. operates five subsidiary companies in South Carolina, including Utilities Services of South Carolina (the company that services Leslie Hendrix's house) as well as Carolina Water Service (the company that services Forty Love Point). Each of these companies is a collection of smaller water systems.

In ex parte testimony before this Commission on January 12, 2012, Utilities, Inc. discussed consolidation of the five smaller companies – something

this commission has requested. Speaking of Utilities, Inc. – CEO Lisa Sparrow stated: “Although we are the largest water and wastewater utility in the State – investor-owned – it’s actually a consolidation of a lot of very small systems. You’ll see here that our number of systems, we actually have 130 systems, and so if you look under the ERCs per system, you know, our average system on has, you know, a few hundred customers per system.”

Like CWS, USSC is a group of smaller water/ sewer systems, grouped together by Utilities, Inc., which includes both well-water systems, and pass-through systems that purchase water from a municipality. Over the years, Forty Love Point has looked to Leslie Hendrix for guidance on how a pass-through system works for the consumer, because Forty Love Point requests a pass-through system to replace the wells that we now have. Ms. Hendrix has always been forthcoming with information about UI’s billing practices and issues such as the need for a cap on charges for lost water (also known as “unaccounted-for water”).

The water system at Dutchman Shores is similar to the system that Forty Love Point wants to see implemented in our neighborhood. Because we request a pass-through system, the experience at Dutchman Shores highlights certain issues we want to see implemented In the CWS tariff – such as a cap on lost water that is based on each household’s consumption of water.

Also, there are many smaller systems within CWS as a whole that operate like Dutchman Shores – as pass-through systems.

EXPERT TESTIMONY. Ms. Hendrix is knowledgeable about how Utilities, Inc argues in court and their use of risk assessment as an argument for raising rates. This knowledge comes from her background as a professor of statistics at USC, and as a result of her own research into UI's practices. Her resume has been provided as an exhibit.

South Carolina regulation 103-846 points to the South Carolina rules of evidence (for civil cases) as the standard for admissible evidence. Rule 401 – definition of relevant evidence is “evidence having any tendency to make the existence of any fact that is of consequence to the determination of the action ore probable or less probable than it would be without the evidence.”

Forty Love asks the Commission to include Leslie Hendrix's complete testimony as pre-filed, and as supplemented on the stand. If the Commission decides to exclude any of Ms. Hendrix's testimony, we hereby move that it be included in the formal record of the proceeding as an Offer of Proof, as described under SC regulation 103-849 (B).

Respectfully submitted,

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